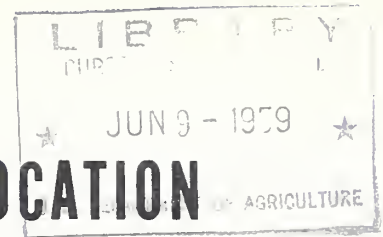


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NUMBER • SIZE • AND LOCATION OF EGG ASSEMBLERS

*By Fred L. Faber and
John R. Pedersen, agricultural economists*
Market Organization and Costs Branch
Marketing Research Division

Of the egg assemblers who responded to a national survey, 86 percent handled fewer than 200 cases of eggs per week in 1957. These firms accounted for about 14 percent of the eggs received from farmers. Less than 4 percent of the reporting firms handled 1,000 or more cases per week and accounted for 60 percent of the receipts from farmers.

The eggs sold from farms in 1957 amounted to 153 million 30-dozen cases. About 82 percent of these eggs were handled by 13,885 firms responding to the survey. Probably some of these eggs in moving through the marketing channels were first purchased from producers by relatively small buyers and then resold to larger assemblers. An additional 1,144 firms responding to the survey reported that they handled eggs, but did not receive any from farmers. These firms received eggs from trucklot shippers and other large-volume handlers in the marketing system. Farmers also sold some eggs directly to hatcheries, retail stores, restaurants, homemakers, and other direct users in addition to the eggs sold to assemblers throughout the United States who varied widely in size and kind of operation.

Information on the number, size, and location of egg assemblers was obtained in a national mail survey of egg handlers conducted, principally during 1957, as a part of research leading to the development of the "Commercial Egg Movement Report." Names of egg handlers were obtained from several sources, but chiefly from U. S. Department of Agriculture market news reporters, State departments of agriculture, and State agricultural experiment stations. Another source was the industry itself. Egg handlers were asked for names of other firms buying eggs in their areas. More than 700 additional names of firms were obtained in this way.

A total of 25,730 firms were solicited for information by mail. At the end of three mailings completed questionnaires had been received from 15,029 firms or 58 percent of the total. In addition, 5,008 questionnaires were received from firms reporting no eggs handled, or were returned by the Postal Service because the firms were out of business or could not be located. Of the 15,029 completed questionnaires received, 13,885 firms reported that they received eggs from farmers, and 1,144 reported that they handled eggs but did not receive eggs from farmers.

The definition of commercial egg assemblers used in the "Commercial Egg Movement Report" includes all firms that receive eggs from producers and that handle 400 or more cases of eggs per week from all sources. Using that definition, table 1 shows

that 1,121 commercial assemblers handled 76 percent of the total volume handled by the 13,885 assemblers. Although completed questionnaires were received from only 58 percent of the firms included in the survey, it is likely that the 1,121 commercial egg handlers are more than 58 percent of all such handlers because large firms tend to reply better than small firms to mail surveys. The total number of commercial assemblers handling 400 or more cases a week, therefore, probably does not exceed 1,300 firms.

The largest number of firms receiving eggs from farmers were located in surplus egg production regions. In terms of total volumes of eggs handled, assemblers in the West North Central Region ranked first, East North Central second, Middle Atlantic third, and Pacific fourth. For firms handling 400 or more cases a week, the first four regions remained in the same order but the relative importance of the East and West North Central Regions declined while the Middle Atlantic and Pacific Regions increased (table 2).

The explanation for these shifts is found in the average number of cases of eggs handled. For all firms receiving eggs from farmers, the average was 9,056 cases a year, or 174 cases a week. Firms in the Middle Atlantic Region ranked highest with an average of 35,168 cases a year, and those in the East North Central Region ranked lowest with an average of 4,345 cases. For firms handling 400 or more cases a week, the average per firm was 84,797 cases a year or 1,631 cases a week. For these firms, the Pacific Region ranked first, Middle Atlantic second, New England third, and West North Central fourth. These data support the commonly held opinion that egg assemblers in farm flock areas handle fewer eggs on the average than egg assemblers in commercial flock areas. The locations of commercial egg assemblers are shown in figure 1.

A comparison was made also of eggs handled by assemblers and eggs sold from farms. The eggs handled by all firms accounted for 82 percent of all eggs sold from farms, and the eggs handled by the 1,121 commercial assemblers accounted for 62 percent of all eggs sold from farms in 1957. Regional variation is plainly evident because the volume handled by commercial assemblers varied from 88 percent of sales off farms in the Middle Atlantic Region to 21 percent of sales off farms in the East South Central Region (table 2).

Although many egg assemblers have been in business for many years, data obtained in this survey and through the Commercial Egg Movement Report reveal that the industry is undergoing considerable change. The trends toward large egg producing enterprises at one end of the marketing system, and the growing importance of large food retailing organizations at the other end are having profound effects on the number, size, and location of all types of middlemen handling eggs.

Other factors are the technological and economic pressures to increase size of operations, to alter the form in which eggs are marketed (such as packing eggs into consumer cartons rather than in wholesale packs), and to meet buyers' specifications on quality, volume, and services. Many handlers are adjusting rapidly to these and other changing conditions of egg production and marketing, but others are not. Entry into and exit from the business is relatively easy because plants and facilities of many egg assemblers have substantially less capital investment than many kinds of businesses.

A second national survey of egg assemblers is now in progress. When the returns are summarized and compared with the first survey, additional information will become available on shifts in the number, size, and location of egg assemblers.

Table 1.--Egg handlers: Distribution of respondent firms by volume of eggs handled, 1957

Size group		Firms receiving eggs from farmers			Volume of eggs handled		
Annual volume	Weekly volume						
		Number	Percent	Cumulative percent	1,000 cases	Percent	Cumulative percent
1 - 10,399	1 - 199	11,901	85.7	100.0	17,946	14.3	100.0
10,400 - 15,599	200 - 299	535	3.8	14.3	6,832	5.4	85.7
15,600 - 20,799	300 - 399	328	2.4	10.5	5,909	4.7	80.3
20,800 - 25,999	400 - 499	172	1.2	8.1	3,951	3.1	75.6
26,000 - 31,199	500 - 599	162	1.2	6.9	4,550	3.6	72.5
31,200 - 36,399	600 - 699	84	0.6	5.7	2,848	2.3	68.9
36,400 - 41,599	700 - 799	71	0.5	5.1	2,782	2.2	66.6
41,600 - 46,799	800 - 899	52	0.4	4.6	2,290	1.8	64.4
46,800 - 51,999	900 - 999	77	0.6	4.2	3,804	3.0	62.6
52,000 and over	1,000 and over	503	3.6	3.6	74,832	59.6	59.6
Totals		13,885	100.0		125,744	100.0	
	400 and over	1,121	8.1		95,057	75.6	

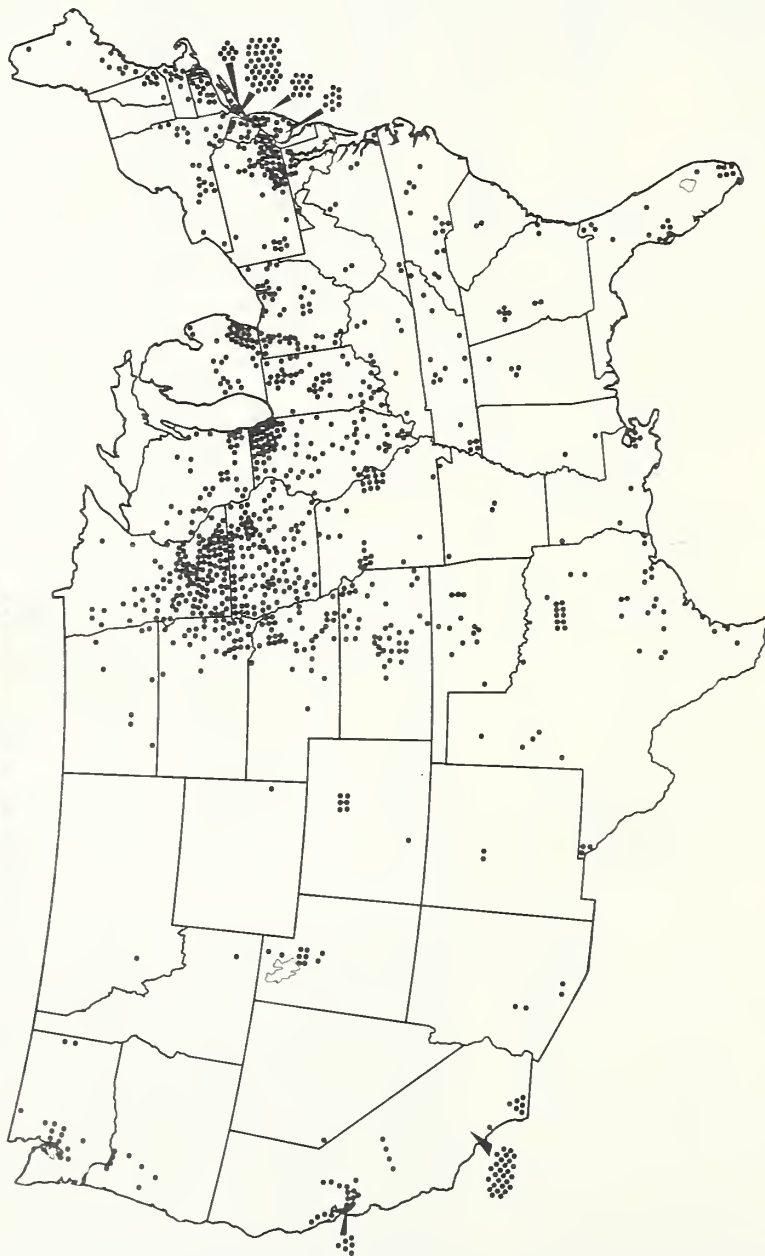
Table 2.--Egg handlers: Distribution of respondent firms by regions, and comparison of eggs handled with eggs sold off farms, 1957

Regions	Firms receiving eggs from farmers	Volume of eggs handled	Annual average per firm	Eggs sold from farms, 1957	Eggs handled as percentage of eggs sold from farms				
	Number	Percent	1,000 cases	Per- cent	Cases	1,000 cases	Per- cent	Percent	
					All respondents				
New England.....	119	0.9	3,838	3.1	32,252	7,678	5.0	50.0	
Middle Atlantic.....	606	4.4	21,312	16.9	35,168	21,353	14.0	1/ 99.8	
East North Central.....	6,186	44.5	26,879	21.4	4,345	30,094	19.7	89.3	
West North Central.....	3,617	26.0	43,555	34.6	12,042	42,266	27.7	1/ 103.0	
South Atlantic.....	555	4.0	6,033	4.8	10,870	14,278	9.4	42.2	
East South Central.....	316	2.3	2,602	2.1	8,234	7,544	5.0	34.5	
West South Central.....	700	5.0	5,812	4.6	8,303	9,367	6.1	62.0	
Mountain.....	472	3.4	2,867	2.3	6,074	3,500	2.3	81.9	
Pacific.....	1,314	9.5	12,846	10.2	9,776	16,478	10.8	77.9	
United States.....	13,885	100.0	125,744	100.0	9,056	152,558	100.0	82.4	
					Firms handling 400 or more cases per week (20,800 per year)				
New England.....	41	3.7	3,375	3.6	82,317	7,678	5.0	44.0	
Middle Atlantic.....	183	16.3	18,735	19.7	102,377	21,353	14.0	87.7	
East North Central.....	247	22.0	18,999	20.0	76,919	30,094	19.7	63.1	
West North Central.....	387	34.6	31,547	33.1	81,517	42,266	27.7	74.6	
South Atlantic.....	61	5.4	4,364	4.6	71,541	14,278	9.4	30.6	
East South Central.....	30	2.7	1,574	1.7	52,467	7,544	5.0	20.9	
West South Central.....	64	5.7	3,684	3.9	57,562	9,367	6.1	39.3	
Mountain.....	27	2.4	1,751	1.8	64,852	3,500	2.3	50.0	
Pacific.....	81	7.2	11,028	11.6	136,148	16,478	10.8	66.9	
United States.....	1,121	100.0	95,057	100.0	84,797	152,558	100.0	62.3	

1/ Indicates duplicate reporting of eggs handled by assemblers and a small percentage of wholesale receivers resulting from misinterpretation of the intent of the questionnaire by some wholesale receivers.

COMMERCIAL EGG ASSEMBLERS

January 1958 *



* Each dot represents a firm that receives eggs from farmers and handles 400 cases or more per week from all sources.

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Figure 1.

